

U.S. Census Bureau

Table 2. Local Government Finances by Type of Government and State: 2001 - 02

(Dollar amounts are in thousands. For meaning of abbreviations and symbols, see note below table. Revised October 2005)

Description	Michigan				
	County government amount	Municipal government amount	Township government amount	Special District government amount	School District government amount
	1	2	3	4	5
Revenue¹	8,664,157	10,755,554	1,953,380	1,402,606	14,865,720
General revenue¹	8,415,363	9,265,661	1,803,145	1,180,952	14,865,720
Intergovernmental revenue ¹	4,187,094	3,801,313	473,223	591,130	10,167,770
From federal government	414,788	607,742	41,348	106,649	139,909
From state government	3,109,997	3,098,300	411,002	307,932	10,019,023
From local government ¹	662,309	95,271	20,873	176,549	8,838
General revenue from own sources	4,228,269	5,464,348	1,329,922	589,822	4,697,950
Taxes	1,589,716	2,937,819	660,280	174,494	3,465,769
Property	1,518,354	2,179,040	594,198	166,278	3,465,769
Sales and gross receipts	16,286	152,353	-	-	-
General sales	-	-	-	-	-
Selective sales	16,286	152,353	-	-	-
Motor fuel	-	-	-	-	-
Alcoholic beverage	5,488	-	-	-	-
Tobacco products	-	-	-	-	-
Public utilities	-	52,210	-	-	-
Other selective sales	10,798	100,143	-	-	-
Individual income	-	496,605	-	-	-
Corporate income	-	-	-	-	-
License taxes	-	-	-	-	-
Motor vehicle license	-	-	-	-	-
Other taxes	55,076	109,821	66,082	8,216	-
Charges and miscellaneous general revenue	2,638,553	2,526,529	669,642	415,328	1,232,181
Current charges	1,944,660	1,625,270	304,975	301,799	762,551
Education	-	4,850	-	-	762,551
Institutions of higher education	-	-	-	-	411,934
School lunch sales (gross)	-	3,632	-	-	213,322
Hospitals	274,083	255,089	-	108,562	-
Highways	60,333	5,499	-	-	-
Air transportation (airports)	253,075	2,913	1,114	19,168	-
Parking facilities	16,549	56,509	66	-	-
Sea and inland port facilities	-	-	-	310	-
Natural resources	-	-	-	4,326	-
Parks and recreation	27,937	110,276	12,354	12,630	-
Housing and community development	1,582	36,022	1,672	-	-
Sewerage	90,299	829,747	181,900	35,257	-
Solid waste management	125,066	50,530	23,119	53,708	-
Other charges	1,095,736	273,835	84,750	67,838	-
Miscellaneous general revenue	693,893	901,259	364,667	113,529	469,630
Interest earnings	290,992	283,754	103,203	45,248	222,744
Special assessments	60,375	30,752	77,125	13,266	-
Sale of property	5,859	32,191	12,841	1,913	-
Other general revenue	336,667	554,562	171,498	53,102	246,886

Public safety:					
Police protection	340,764	1,191,696	165,554	-	-
Fire protection	341	488,655	206,230	2,040	-
Correction	493,879	1,375	336	-	-
Capital outlay	9,445	-	-	-	-
Protective inspection and regulation	44,590	102,486	63,841	-	-
Environment and housing:					
Natural resources	76,811	2,110	257	11,639	-
Capital outlay	27,786	-	26	172	-
Parks and recreation	279,434	504,422	65,147	39,036	-
Capital outlay	186,444	138,428	14,788	5,476	-
Housing and community development	35,193	285,903	10,287	-	-
Sewerage	185,518	964,975	146,136	145,516	-
Capital outlay	32,679	368,220	22,563	92,900	-
Solid waste management	92,104	221,174	42,120	106,296	-
Capital outlay	3,927	7,353	271	1,678	-
Governmental administration:					
Financial administration	118,283	242,870	81,502	-	-
Judicial and legal	755,909	175,364	13,138	-	-
General public buildings	91,370	81,495	43,842	-	-
Other governmental administration	119,082	227,466	109,607	-	-
Interest on general debt	262,088	372,154	29,361	42,689	618,764
General expenditure, n.e.c.:					
Miscellaneous commercial activities	-	342	-	-	-
Other and unallocable	659,479	1,244,069	227,198	59,524	-
Utility expenditure	75,011	1,577,067	157,944	492,622	-
Capital outlay	25,329	317,935	30,215	81,253	-
Water supply	49,432	870,174	156,517	62,322	-
Electric power	87	450,078	1,055	146,861	-
Gas supply	-	-	-	-	-
Transit	25,492	256,815	372	283,439	-
Liquor store expenditure	-	-	-	-	-
Insurance trust expenditure	219,914	882,328	15,572	-	-
Unemployment compensation	-	-	-	-	-
Employee retirement	219,914	882,328	15,572	-	-
Workers' compensation	-	-	-	-	-
Other insurance trust	-	-	-	-	-
Debt outstanding	5,654,130	10,577,893	610,466	1,220,696	14,289,963
Short-term	-	21,395	-	6,153	425,796
Long-term	5,654,130	10,556,498	610,466	1,214,543	13,864,167
Full faith and credit	1,181,661	2,758,341	152,452	209,396	13,432,445
Nonguaranteed	4,472,469	7,798,157	458,014	1,005,147	431,722
Long-term debt by purpose:					
Public debt for private purposes	1,032,594	915,080	39,148	7,120	-
Education	-	866,892	780	-	13,864,167
Utilities	226,129	2,153,410	57,944	510,056	-
Other	4,395,407	6,621,116	512,594	697,367	-
Long-term debt issued	929,180	2,122,145	123,930	31,499	2,517,030
Long-term debt retired	432,875	852,829	57,081	93,428	918,392
Cash and security holdings	8,396,780	19,750,871	2,371,278	876,684	6,061,593

Insurance trust funds	4,287,620	13,193,030	284,950	-	-
Unemployment compensation	-	-	-	-	-
Employee retirement	4,287,620	13,193,030	284,950	-	-
Workers' compensation	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Other than insurance trust funds	4,109,160	6,557,841	2,086,328	876,684	6,061,593
By purpose:					
Offsets to debt	1,362,306	1,172,736	87,565	200,407	114,621
Bond funds	801,122	1,945,818	193,156	23,570	3,184,812
Other	1,945,732	3,439,287	1,805,607	652,707	2,762,160

¹ Duplicative intergovernmental transactions are excluded.

Abbreviations and symbols: - zero or rounds to zero; (NA) not available; (X) not applicable

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Making Joint Public Services Work in the 21st Century

Intergovernmental Cooperation: Strategies for Overcoming Political Barriers

September 2003

SEMCOG ... *Local Governments Advancing Southeast Michigan*
Southeast Michigan Council of Governments

SEMCOG... Local Governments Advancing Southeast Michigan

Southeast Michigan Council of Governments • 535 Griswold Street • Suite 300 • Detroit, Michigan 48226 • (313) 961-4266 • Fax (313) 961-4869
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September 2003

Dear SEMCOG Members,

In response to the growing economic uncertainty facing governments and school districts in Michigan, SEMCOG members are forced to look into alternative or innovative funding sources and arrangements. Intergovernmental cooperation and joint public services are an option for service provision that governments may wish to consider during these fiscally challenged times. To assist SEMCOG members, we will revise and reprint a series of reports on intergovernmental cooperation. We are pleased to announce the reports included in the *Making Joint Public Services Work in the 21st Century* series, scheduled for completion during Spring and Summer 2003:

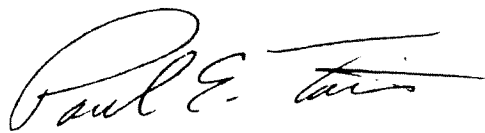
Making Joint Public Services Work in the 21st Century

- Intergovernmental Cooperation
- Michigan's Legal Tools for Cooperative Arrangements
- Understanding and Paying for Joint Public Ventures
- Intergovernmental Cooperation: Strategies for Overcoming Political Barriers
- Summary of Conditional Land Transfer Agreements, P.A. 425
- Intergovernmental Cooperation: Case Studies in Southeast Michigan

If you wish to obtain copies of these reports, please contact SEMCOG Information Services.

If you have any questions about SEMCOG's efforts in joint public services and intergovernmental cooperation, contact Naheed Huq in SEMCOG's Community and Economic Development Department, (313) 961-4266.

Sincerely,



Paul E. Tait
Executive Director
SEMCOG

Making Joint Public Services Work in the 21st Century

Intergovernmental Cooperation: Strategies for Overcoming Political Barriers

September 2003

Prepared by G. Lawrence Merrill, Executive Director, Michigan Townships Association, and Amy R. Malmer, Legislative Affairs Coordinator, Southeast Michigan Council of Governments

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Abstract

Local governments in Southeast Michigan face difficult fiscal choices and, in response, are learning to work smarter and most cost effectively. SEMCOG and the Metropolitan Affairs Coalition encourage intergovernmental cooperation as a way to provide services to citizens in fiscally challenged times. To that end, SEMCOG and MAC have launched the *Making Joint Public Services Work in the 21st Century* series. The series includes reports that address a variety of issues related to intergovernmental cooperation. These reports were originally printed in the early 1990s and have been reviewed and updated, where appropriate. This report was prepared by G. Lawrence Merrill, Executive Director, Michigan Townships Association, and Amy R. Malmer, Legislative Affairs Coordinator, Southeast Michigan Council of Governments.

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Executive Summary

While the barriers to intergovernmental cooperation can be formidable, in many communities they have been successfully overcome by effective leadership. A steady, appropriately paced plan that brings stakeholders to the negotiating table to implement an intergovernmental program is most likely to succeed.

Community leaders need a good knowledge base to find creative solutions to issues as they arise. SEMCOG, the Southeast Michigan Council of Governments, and MAC, the Metropolitan Affairs Corporation, are knowledge resources, as are some private consulting firms and various state local government associations such as the Michigan Association of Counties (MAC), Michigan Association of School Boards (MASB), Michigan Municipal League (MML), and Michigan Townships Association, (MTA).

There are various political, non-economic reasons why public officials avoid embarking on joint ventures. Also, the public — quick to vilify government for being inefficient and dominated by special interests — can be hostile to their own local government for pursuing cooperation. Fortunately, there are some strategies that often work to overcome the barriers to intergovernmental cooperation.

There are 12 major political barriers that fall into four categories:

- Control, influence, and visibility,
- Delegating control,
- Homogeneous communities, and
- Government relations.

Suggested strategies for dealing with each of these barriers are provided in this report.

Barrier 1 — Control

Local government leaders become accustomed to “calling the shots” on matters affecting their constituents.

Barrier 2 — Influence

Unilateral power — Intergovernmental cooperation often requires collaboration between officials of differing public entities, with the power to act unilaterally usually diminished.

Negotiating power — Some public officials may resist proposals for intergovernmental cooperation out of fear of the long-term negotiating position that the new arrangement will cause for their government units.

Monopoly power — A new joint service can establish monopoly powers if the costs of seceding from the agreement are too high.

Barrier 3 — Visibility

The loss of a local service system, for example, is not only a blow to community pride, it will diminish the elected officials' visibility as well.

Barrier 4 — Board composition

Size — A large board raises the costs of making decisions, as more participants will likely bring to the table more diverse viewpoints which must be accommodated.

Representation — Providing for multiple representatives from the same entity can bring more viewpoints and ideas to the table, but does nothing to apportion power more equitably.

Barrier 5 — Board responsibilities

Governing bodies may be uncomfortable with delegating unfettered control to the joint administrative body and, consequently, may reserve the power to take certain actions for themselves.

Barrier 6 — Fiscal control

There have been examples of lax fiscal control and poor financial management of some joint ventures, due, in part, to the fact that they generally operate well out of the public eye.

Barrier 7 — Differing cultures

Economic disparities between residents may cause an unwillingness to support intergovernmental cooperation out of resentment or arrogance. Cultural or racial differences can undermine intergovernmental cooperation.

Barrier 8 — Community relations

Factors other than demographic differences can undermine joint ventures between communities. One or both communities can be politically dominated by special interests that are perceived as skewing resources or influencing to their own advantage.

Barrier 9 — Citizen alienation

Many residents have a strong identity with their locality and may fear that an intergovernmental service will lead to the loss of local autonomy. Residents may believe that their complaints or ideas will be lost in a large bureaucratic organization.

Barrier 10 — Relationships

Perceptions — The image of each community's government institution can be tarnished by documented or suspected inefficiency, ineptness, or corruption.

Communications — If the leadership of neighboring jurisdictions seldom meet one-on-one, or have any ongoing communications, their actions can be misinterpreted from a distance.

Trust — Unfamiliarity can be a significant barrier to establishing trust and confidence needed to amicably resolve problems.

Barrier 11 — Interest groups

Service changes — For example, a proposal to regionalize fire services would close some fire stations. This would likely incur the wrath of property owners living near the stations slated to close, even if their location would be inefficient under a regional system.

Service capacity — A proposal to sell services to another community gives rise to the question of having enough resources on hand to serve the seller community. Selling some capacity raises the issue of service capacity. Can the existing service be expanded to other areas without stretching existing resources too thin? Many local government programs or services may have surplus capacity available; however, this may be lost on citizens.

Barrier 12 — Disputes

A method needs to be in place for resolving disputes after agreements have been executed and the new intergovernmental program or service is operating.

Introduction

The ultimate solution to political barriers is **visionary leadership**.

While the barriers to intergovernmental cooperation can be formidable, in many communities they have been successfully overcome by effective leadership. Community officials are seldom successful by forcing people to accept intergovernmental cooperation. Rather, long-term success is built on having a vision as to how intergovernmental cooperation can make communities more livable and services more economical, and how it can be an improvement for all stakeholders. Being able to effectively communicate this vision to stakeholders is crucial.

The public officials' vision must appreciate the complexities of intergovernmental cooperation, yet be able to overcome the problems, concerns, and challenges that arise. A steady, appropriately paced plan that brings stakeholders to the negotiating table to implement an intergovernmental program is far more likely to succeed than a hastily crafted idea that is pushed toward implementation before opposition can be given a chance to organize.

Community leaders also need a good knowledge base to find creative solutions to issues as they arise. They need to be familiar with the statutes addressing intergovernmental ventures, understand the principles and processes of intergovernmental cooperation, or have access to others who are experienced and knowledgeable and can assist with developing and implementing an action plan. SEMCOG, the Southeast Michigan Council of Governments, and MAC, the Metropolitan Affairs Coalition, are such resources, as are some private consulting firms and the various state local government associations such as the Michigan Association of Counties (MAC), Michigan Association of School Boards (MASB), Michigan Municipal League (MML), and Michigan Townships Association (MTA).

Leadership in forging interlocal agreements, however, often requires adopting a style that may be foreign to some political officials; that is, allowing and encouraging diverse groups to participate in decisions to build a consensus, and allowing as many people as possible to take credit for the intergovernmental venture's success. Being too rigid and unwilling to make compromises can only reinforce political barriers.

The more people that can take ownership for intergovernmental cooperation, the more likely that political barriers will be only speed bumps on the road to greater government efficiency and effectiveness.

The Political Context

Political barriers to intergovernmental cooperation are much more complex than most observers generally recognize. While frequently realizing that financial advantages can result from working cooperatively with other jurisdictions, public officials also often perceive the significant risks of joint ventures to both their own political careers and to the viability of their government units.

Cooperation sometimes fails because the public perceives the venture as counter to their preferences for local control and tight accountability. Issues related to control, influence, and visibility of the proposed cooperative venture must be identified and addressed to the satisfaction of everyone before the project can move forward. Further, if a project requires an administrative board, there must be agreement among all stakeholders as to board composition, board responsibilities, and fiscal control. The risks may be minor or very real. In any event, risk — perceived or real — can sabotage great intentions to better serve the public.

Often it is not public officials who stand in the way of greater intergovernmental cooperation. As communities grow culturally isolated from each other, their residents may tend to develop broad generalizations — usually negative stereotypes — of people living across a political border. If cooperative programs challenge normal comfort levels, problems relating to differing cultures and poor community relations can thwart public support for programs and services that might tend to bring people together.

Greater efficiency and cost reduction are not the only measures of success for a government program and service. Public support for many joint ventures is inherently necessary for their success.

Democratic institutions rely on maintaining a connection with the people they are intended to serve. Citizen alienation, government relationships, and interest group demands can create barriers to cooperation.

Finally, methods for dispute resolution among the stakeholders must be worked out before the intergovernmental venture is sealed.

This paper dissects the various political, non-economic reasons why public officials avoid embarking on joint ventures. Also discussed is why the public — quick to vilify government for being inefficient and dominated by special interests — can also be hostile to their own local government for pursuing cooperation. Fortunately for advocates of rational government, there are some strategies that often work to overcome the barriers to intergovernmental cooperation.

There are 12 major barriers to intergovernmental cooperation. These fall into the following four categories which will be considered in detail in the remainder of this report:

- Control, influence and visibility;
- Delegating control;
- Homogenous communities;
- Governmental relations.

Control, Influence, and Visibility

This section explores three barriers to intergovernmental cooperation — control, influence, and visibility — and strategies for overcoming each of them.

Individual intergovernmental programs present their own specific issues, but control, influence, and visibility tend to cut across many intergovernmental initiatives. Public careers are built on controlling and influencing government resources.

When critics of local government place blame for the lack of intergovernmental cooperation, they assume that resistance results primarily from “turf” issues — the unwillingness to share control, influence, and visibility. It may be unfair, in many circumstances, to cast “turf issues” as invariably counter to the public interest. But such accusations in other instances may be right on target.

Barrier 1: Control

Local government leaders become accustomed to “calling the shots” on matters affecting their constituents. As government units merge services or allow another level of government to provide a service it traditionally has offered, the viability of that government entity might come into question. Why should a government body exist if areawide entities or other government units can provide all the services? Citizens forget that the taxes levied by their local government make this joint service possible.

Strategies for overcoming control barriers

It will no longer be practical for the governing bodies of all participating entities to exert the same level of control previously exercised over their own autonomous services. Who will run the new intergovernmental system?

An intergovernmental administrative board can be configured to share control with the parent jurisdictions’ governing bodies. Administrative bodies may be comprised of the chief officers or other elected officials of each unit of government. Or, its members might be citizens representing each unit of government and appointed by each entity’s governing body, or a combination of both. This body, while attempting to keep its parent government entities happy, will exercise the powers previously enjoyed by the participating entities.

Barrier 2: Influence

Most intergovernmental programs or services provide for a decision-making mechanism that gives all the players a meaningful role in resolving issues (see *Delegating Control*, page 6). The official who decides “who gets what” wields considerable power to reward supporters and possibly punish opponents. While few would advocate that providing public services on a reward and punishment basis leads to good government and rational service delivery, the ability to respond to voters’ demands is the hallmark of a good public servant. Most officials put their own community’s needs and preferences first, and areawide concerns are of secondary importance.

Unilateral power

Intergovernmental cooperation often requires collaboration between officials of differing public entities, and the power to act unilaterally is usually diminished. For example, decision makers in individual jurisdictions may worry that if bus systems were better coordinated, some changes made to benefit the area might not be in the best interests of their own constituents. Bus routes and stops that are optimal for a

particular community might be altered to better fit in with the rest of the system. And while constituents who travel to and from other jurisdictions might applaud the new system, other local riders who are disadvantaged by the changes might take their ire out on the officials who agreed to surrender local control over their bus system.

Negotiating power

Some public officials may resist proposals for intergovernmental cooperation out of fear of the long-term negotiating position that the new arrangement will cause for their government units. When intergovernmental cooperation is “on the table,” all parties will likely be very accommodating to entice as many government entities as possible to sign on. At this stage, everyone has considerable negotiating power, because the need to satisfy everyone’s demands and concerns is necessary to getting an intergovernmental endeavor up and running.

Monopoly power

A new areawide service can establish monopoly powers if the costs of seceding from the agreement are too high. Once the transition to the new intergovernmental service is made, it may be extremely difficult or impossible for a dissatisfied entity to “pull out,” as it may have to make a substantial reinvestment in land, buildings, and equipment to restore its own program or service.

Conversely, it may be risky for government or a joint agency to extend service as well. To expand services to other governments might require the “seller” entity to make a substantial investment in equipment and new personnel. If a “purchasing” entity’s withdrawal from the intergovernmental program would cause financial hardship to the program or service, that purchaser can use its exit power to force concessions favorable to itself but which might be detrimental to the rest of the system or to other purchasers.

Take special note!

When intergovernmental cooperation takes the form of one entity purchasing programs or services from another government, the delegation of decisions normally takes the form of the governing body that “sells” the program or service calling most, if not all, of the shots. When a jointly owned program or service is developed, a new administrative body may need to be appointed to run the venture on behalf of the parent government bodies.

Strategies for overcoming influence barriers

Intergovernmental cooperation does not necessarily mean that the area’s benefits must occur at the expense of an individual community’s needs and preferences. While sometimes necessitating creative strategies, intergovernmental cooperation can often lead to “win-win” outcomes for all parties. While there is always a potential for an interlocal agreement to operate to the disadvantage of a particular community or a specific public official, there is an even greater likelihood that an intergovernmental agreement can enhance the control, influence, and visibility of all parties.

Delegation

Decisions on most routine matters will have to be delegated to an administrative board. While each jurisdiction may need to surrender much, if not all the power it previously had to make unilateral decisions in its own best interests, the jurisdiction and its officials can now influence a much larger, more powerful system.

Decision-making mechanisms

Utilizing a greater than majority approval requires accommodating the needs of most, if not all, members and requires that parties work out differences rather than simply force members to accept the majority’s will. Parties will need to decide when drafting the interlocal agreement whether the need to address

specific concerns and the requirement to achieve consensus outweighs the need for fiscal stability and an efficient decision-making process. Requiring supermajority approval protects the minority's interests, but can also thwart the majority's will.

Provisions to maintain local influence can require trade-offs with other potential benefits to intergovernmental cooperation. Mechanisms to maintain local influence complicate and lengthen the decision-making process. To the degree that individual elected officials or participating entities can interject their concerns or require responses from an administrative board or staff on parochial issues, the ability to act in the system's best interests will be compromised.

Barrier 3: Visibility

The loss of a local bus system, for example, is not only a blow to community pride, it will also diminish the elected officials' visibility. Having its own bus system can be a source of great pride to a community — one of its “crown jewels,” so to speak. Local officials might not appreciate the loss in community prestige if its source of pride and joy — and independence — was swallowed up by an areawide system.

Strategies for overcoming visibility barriers

Enhancing participating entities' visibility in a joint service can be accomplished in many ways:

- The parent government entities' involvement can be displayed in the logos developed for the program or service.
- The participating entities' names might be shown on the vehicles operated by the service, and the local government names can sometimes be incorporated in the name of the intergovernmental service.
- The names can be added to the program letterhead, with the chief elected officer of each participating entity prominently displayed as an ex-officio member of the administrative board.
- It may be good political form to include the parent entities' most prominent officials in any press conferences where major news regarding the program or service is announced. These persons may also warrant receiving special briefings or information preceding the public release of news and information, whether positive or negative.

Delegating Control

The previous section discussed the important role that a joint administrative board will play in overcoming political opposition to intergovernmental cooperation. These administrative bodies provide a mechanism for sharing decision making and providing a forum for all parties to express their concerns and preferences. In this section, the barriers to cooperation associated with board composition, board responsibilities, and fiscal control are explored.

Barrier 4: Board Composition

The composition of a joint board can become an issue when numerous government entities are participating.

Size

A large board raises the costs of making decisions, as more participants will likely bring more diverse viewpoints to the table which must be accommodated.

Representation

Providing for multiple representatives from the same entity can bring more viewpoints and ideas to the table, but does nothing to apportion power more equitably. In most cases both representatives will vote on issues identically, rather than dilute their power by canceling out each other's vote.

Take special note!

Employees may want to have representation on the board, but some enabling laws prohibit employees from sitting on the joint venture's administrative board. Absent a statutory prohibition against an employee sitting on the governing board, other laws may also prohibit the practice, such as Michigan's Incompatibility of Public Offices statute (MCLA 15.181, et seq) as well as court decisions which prohibit a person from serving simultaneously in two positions where one position is subordinate to another. Legal counsel should be consulted on this issue if it arises.

Strategies for board composition

Opponents of intergovernmental cooperation may be willing to drop their opposition if they are promised a meaningful role in overseeing the activities. Supporters as well may demand a seat on the administrative board as payment for their efforts to marshal public support for the venture. Whether or not to accommodate such demands is a political issue best resolved at the negotiating table.

Size

The larger the administrative board, the less likely that one or two government entities will dominate decision making. Larger boards may necessitate further delegation of decision making to subcommittees or to staff.

Representation

Most joint administrative boards provide equal representation from all participating entities, but not always. In cases where there is a great disparity in the amount of ownership or the levels of financial contributions provided by each participating entity, some administrative boards have their membership apportioned based on the level of financial support of each government entity. If, for example, a joint venture of four government entities requires one entity to provide half of the joint venture's funding, it would be possible to provide that half of the membership on the administrative board will be appointed

from the largest contributor. Such an arrangement may offend one's "one person one vote" democratic values, but it may be justified to address a concern that influence should be proportional to financial commitment.

Representatives

Individual participating government entities can continue to share control and demand accountability through selecting members who serve on the administrative board. Representatives are often appointed by the governing bodies and, to provide additional accountability, may require that all members be selected from among the elected officials that comprise the governing bodies themselves; the premise being that elected officials will be more likely to act in ways that please the voters in his or her jurisdiction.

Terms

Many agreements also provide for staggered members' terms originally appointed to ensure board continuity and stability.

Take special note!

The joint administrative board composition is spelled out in the interlocal agreement or, where required, the articles of incorporation. Although some state enabling laws that authorize government units to jointly own and operate a joint service prescribe in detail the precise joint administrative board composition and membership, most are broad enough so administrative board membership can be tailored to meet local concerns and needs.

Barrier 5: Board Responsibilities

Governing bodies may be uncomfortable with delegating unfettered control to the joint administrative body and, consequently, may reserve the power to take certain actions for themselves. In most cases, the governing bodies reserve the right to adopt a budget for the joint program or service, particularly where the governing bodies are contractually obligated to provide ongoing operating funds for the joint venture. Each governing body in turn will review and approve the budget.

Strategies for assigning board responsibilities

Some interlocal agreements require all governing bodies to ratify the budget, while others only require two-thirds or a simple majority of the participating government entities to approve the budget document. Supermajority voting requirements may lead to minority rule, as one or a few participants can hold the budget approval hostage to get their concerns addressed. Some other issues that may require governing board approval, in addition to budget adoption, are the approval of policies and procedures, user fees, chief administrative officer appointment, and major capital outlays.

Some interlocal agreements provide that governing bodies will reserve the right to make other decisions as well or may require that certain board actions be reviewed and approved by the governing bodies prior to implementation. This review and approval may require a simple majority vote of the participating entities to concur or can require a supermajority or unanimous consent. Some agreements provide for veto power under some circumstances.

Some administrative board decisions may not have to be submitted to governing bodies for ratification, but might be subject to their review and comment. An objecting entity may have authority to postpone implementation of a decision until its concerns are addressed. In other cases, a two-thirds or simple majority disapproval by the government entities will veto an administrative board decision.

Barrier 6: Fiscal Control

There have been examples of lax fiscal control and poor financial management of some joint ventures, due in part to the fact that they generally operate well out of the public eye. Officials in charge of joint ventures occasionally are lulled into the mistaken assumption that their financial affairs will not be scrutinized as closely as other government entities.

Strategies for achieving fiscal control

The administrative board should report to the government entities on a regular basis. These reports can be formal communications, which include minutes of all administrative board meetings, or reports given by the administrative board representatives from each jurisdiction. The reports should be clear and written in specific detail to provide the governing body officials an opportunity to be well informed on issues.

Governing bodies need to express in clear and unmistakable terms that the administrative board will be expected to maintain proper financial systems. While it should be the administrative board's responsibility to provide oversight as to how resources are used to deliver programs or services, the governing bodies may have specific concerns regarding the joint venture's financial controls and fiscal affairs that should be addressed in the interlocal agreement or articles of incorporation.

A joint venture's financial affairs — accounting, investing, reporting, and auditing — should meet the standards required within the parent government entities. It may be feasible for a participating entity to provide financial administration to the joint venture as an in-kind contribution, thus eliminating the need to duplicate accounting expertise. The joint administrative board can approve bills for payment, while the financial department of a participating county, township, municipality, or school district can account for and disburse funds on the joint administrative board's order.

Take special note!

The interlocal agreement or articles of incorporation need to be very explicit as to the powers and duties that the governing bodies are delegating to the administrative board. Some enabling laws permit establishing a joint venture as a separate corporation or political body, with powers that can be exercised independent of the parent bodies. The state-enabling legislation should be carefully reviewed to ensure that the delegation of authority and responsibility corresponds to legislative intent. The Urban Cooperation Act provides an extensive list of powers which may be delegated, but which need not be if the governing bodies prefer to reserve specific powers to themselves.

The Urban Cooperation Act, as well as other enabling laws for some specific services, also authorizes the parent entities to delegate authority to the intergovernmental program's administrative board to manage its own financial affairs. Some interlocal agreements or articles of incorporation provide for proper fiscal controls by specifying which administrative board members or staff members have authority to incur obligations, approve expenditures and sign and issue checks. Annual audits should be required of all financial records kept by the joint administrative board and such records should be required to be maintained in accordance with generally accepted accounting and financial reporting standards. The administrative board's power to borrow money is often explicitly addressed in the interlocal agreement or articles of incorporation. Lacking the power to tax, however, the joint venture may be limited to issuing revenue bonds backed by its own revenues. A general obligation bond requiring pledging the parent entities' full faith and credit will probably require the concurrence of the governing bodies and possibly the electorate as well.

Homogeneous Communities

In this section, differing cultures and community relations are discussed as barriers to cooperation. Communities with residents who share similar economic standards of living, educational levels, and similar racial and ethnic ties are more likely to enjoy populace support for joint ventures. Relationships between or among communities can become a factor in instituting an intergovernmental program. Each community's residents will likely hold some broad perceptions of the type of people residing in the other community and these perceptions may very well influence attitudes about how willing each community will be in sharing resources with each other. These attitudes may be more or less acute depending on the joint venture being contemplated, and the degree to which the communities share common characteristics.

Unfortunately, some uneasiness might result from the differences of the communities attempting to work together. Located within a very short distance from each other, many communities have evolved with very different cultures and values. The potential for a successful intergovernmental agreement is greatest when the communities participating have similar demographic characteristics. Homogeneity helps reassure a skeptical citizenry that it is unlikely that major differences will erupt between the communities over such issues as the scope of services that will be provided, the quality of services and the financial burden that each community is willing to assume to support the service. Fears that the arrangement will result in one community subsidizing another can destroy an intergovernmental arrangement that is barely off the drafting table.

Barrier 7: Differing Cultures

Economic disparities between residents may cause an unwillingness to support intergovernmental cooperation out of resentment or arrogance. Cultural or racial differences can undermine intergovernmental cooperation. Regrettably, racial and cultural mistrust runs deep in society, particularly in communities where it is aggravated by economic competition for scarce well-paying jobs or the socio-economic status of each community is so different that residents in both communities perceive little likelihood for agreement between each community's leaders as to how a program or service will be governed and delivered.

For example, development of a joint library program involving two communities that have residents of very different educational levels may cause tension between residents for a variety of reasons. Different communities value library services differently. One community may be more willing to provide greater financial support to the joint venture, but not willing to subsidize the lack of financial commitment from its neighboring jurisdiction. There may be fear that sharing resources or services will lead to political domination of one group over another.

Prevailing perceptions, stereotypes, and generalizations about people who live "across the line," when layered with powerful racial or ethnic tensions, can lead to fears that intergovernmental cooperation will create opportunities for one group or another to take unfair advantage of the arrangement. These fears are seldom acknowledged publicly for what they are, but are usually cloaked as a fear of being victimized by crime, an opportunity for corruption, or that residents of one community will not take care of the resources provided by another community.

Residents may express concern that sharing resources will result in residents of one community overutilizing the joint program or service, "and there will be no room for us." Particularly when community residence is linked to belonging to a different racial or ethnic group that is easily identifiable, residents of the other community perceive that usage by persons who appear different is much greater than is actually the case.

Developing cooperative ventures may be feared as opportunities for whites to regain control of government institutions. Communities in transition from a government structure that was previously white-dominated to a new political order controlled by a different racial or ethnic group may also find that their residents resist intergovernmental arrangements with an adjacent community that is predominantly white.

Strategies for overcoming cultural barriers

Where strong cultural or financial differences exist between communities that might lead to differing levels of service preferences, some creative planning might address these differing preferences, yet allow both entities to benefit from the joint venture.

Communities may be able to overcome mild levels of tension by providing opportunities for interaction among residents or easing into intergovernmental ventures by starting with small, less visible programs and services. As these programs succeed, they can be used as models to demonstrate that many fears are unwarranted. However, some communities may be so far apart on economic, cultural, or racial tolerance that attempts at joint ventures are doomed by public opposition.

Barrier 8: Community Relations

Factors other than demographic differences can also undermine joint ventures between communities. One or both communities can be politically dominated by special interests that are perceived as skewing resources or influence to their own advantage. People are seldom blind to the political institutions of their neighboring governments, as the news media periodically swings its spotlight at almost every community's government institutions. News features often highlight who has power and whether that power is being wielded fairly.

The presence of a strong elected or appointed official in one community, or a political administration that is effectively controlled by an identifiable group that is not widely admired in an adjacent community, can also generate opposition to intergovernmental cooperation. Domination of a community by a special-interest group can be particularly fatal to a proposal to purchase services from that community, as there may be a fear that the purchasing community will also become dominated by the other community's power structure. Fear of special-interest domination can also undermine a proposal for joint ownership of a service or facility.

Strategies for achieving good community relations

A well-written contract that includes provisions that protect the purchasing community's interests may help alleviate the fears, but many people may have their minds made up well before the agreement details are hammered out. Early agreement to establish a strong and fairly autonomous administrative board to run the program or service on behalf of the government entities may help put such fears to rest. Not only must the administrative board be empowered to act independent of entrenched interest groups, it may also be necessary to develop a process by which board members are selected that assures board representation.

Government Relations

Factors other than the threat to power can keep political leaders from even considering working with their neighbors. This section discusses citizen alienation, government relationships, and interest group demands as barriers to cooperating.

Barrier 9: Citizen Alienation

The public is often apathetic to intergovernmental cooperation and might even be predisposed to challenge an action it poorly understands. Why should residents care if a program or service is provided by their local government or by some other entity?

Many residents have a strong identity with their locality and may fear that an intergovernmental service, or a service purchased from another entity, will lead to the loss of local autonomy.

Residents may believe that their complaints or ideas will be lost in a large bureaucratic organization. They may worry that an intergovernmental contract is the first step down a slippery slope of seeing their local government swallowed up by its neighbors.

Citizens accustomed to contacting a familiar person in city hall or the courthouse to get information or make complaints now must deal with a joint body that nobody knows very well and which doesn't necessarily need to keep individuals or even member jurisdictions happy with the way the system is run. The administrative board has a higher calling — to serve the entire area.

These perceptions need to be effectively dispelled if public confidence in government institutions is to be maintained. Strong public opposition can result in political turmoil, the calling for a referendum on the issue if provided for by law or municipal charter, or even, in some cases, the recall or election defeat of officials perceived as supporting the joint venture.

Strategies for overcoming citizen alienation

While not always possible to overcome, citizen opposition can sometimes be reduced or turned into support by initiating a well-designed public information program. Building support for a potentially controversial intergovernmental cooperative venture can be very similar to conducting a political campaign. The benefits to the public that will result from the intergovernmental activity should be clearly presented and well documented. The message needs to be honed to address the possible arguments that opponents will raise and the steps or procedures that will be used to minimize or eliminate any disadvantages should be incorporated into the message. Editorial boards of local papers should be briefed on these arguments as well. Regular press releases or conferences should keep a positive message continuously before the electorate.

Barrier 10: Relationships

Local governments have long institutional memories. Disputes or bad experiences occurring decades prior are often dredged up as reasons why intergovernmental cooperation should not happen.

Between townships and adjacent cities, the annexation of property can be divisive and emotional. Because the outcome has often been a "win-lose" proposition, the adversarial process has often caused hard feelings that take generations to abate.

“Pirating” away important industrial or commercial taxpayers by offering favorable tax abatements to relocate in another jurisdiction may also have caused long-term resentments.

A prior refusal to cooperate can result in a cooperative overture being met with a payback in kind.

The most devastating historical experience, however, is an earlier intergovernmental agreement that resulted in a poor outcome for one or more of the parties, leaving officials to sputter, “never again!”

A change in management may be necessary before any intergovernmental cooperation can move forward.

Perceptions

The image of each community’s government institution can be tarnished by documented or suspected inefficiency, ineptness, or corruption. Until a new administration is appointed or elected that is free from the poor image of its predecessor, this barrier may be difficult to overcome. Communities can languish for a considerable period of time under an unpopular administration that can only manage to hang onto the office but lacks sufficient public support to undertake bold or creative joint ventures.

Communications

If the leaders of neighboring jurisdictions seldom meet one-on-one or have any ongoing communications, their actions can be misinterpreted from a distance. Local government leaders must be able to trust each other in order to be willing to take risks that are often necessary to cooperate.

Trust

Unfamiliarity can be a significant barrier to establishing trust and confidence needed to amicably resolve problems. Major intergovernmental projects usually require a long-term relationship to justify the decision to initiate, staff, equip, and monitor a complex program or service. While no one can anticipate the tenure of another community’s leadership, some communities seem to turn out their political and/or administrative leadership every few years. Communities that continually tear themselves apart by ongoing coups seldom consider the costs that they incur — one of which is distancing themselves from neighboring entities that could otherwise be potential partners in joint ventures.

Strategies for achieving good relationships

An environment for successful interlocal ventures requires effective communication lines. County local government associations such as the Oakland County Supervisors Association (OCATS) or the Conference of Western Wayne (CWW) Mayors and Township Supervisors, which meet on a regular basis, can be very effective at bringing together officials who share common problems.

Communications

At best, the public officials will initiate the communications avenues themselves. Simply having mayors, supervisors, commissioners, or school superintendents getting together for lunch once a month can help foster trust. Absent informal mechanisms, a more structured organization to get community leaders talking among themselves might be necessary.

Municipalities and school districts seldom talk with each other because of the significant difference in their duties and functions. The opportunities for these diverse government bodies to cooperate for their mutual benefit are considerable. In addition to conducting joint recreation and library programs, they can also cooperate to purchase supplies and equipment to take advantage of quantity discounts and can provide to each other administrative support services such as running payrolls, sharing vehicle fueling facilities, and conducting elections. Organizations such as SEMCOG or intermediate school districts can provide a valuable function by hosting meetings where such joint ventures can be developed.

Trust

Trust requires more than face-to-face communications. Each community or public entity needs to maintain stable administrations on which others can rely to maintain long-term commitments.

Barrier 11: Interest Groups

In spite of both public officials' best intentions and the general public's willingness to support new programs, special interest groups can successfully undermine a potential intergovernmental program or service.

Service changes

For example, a proposal to merge fire services would close some fire stations. This would likely incur the wrath of property owners living near the stations slated to close, even if their location would be inefficient under a joint system. Unfortunately, a proposal that is best for the majority may be detrimental to a minority. Citizen groups that fear needs will not be met by the proposed changes can foment considerable opposition if they are well-organized or politically well-connected.

Service capacity

A proposal to sell fire protection to another community gives rise to the question of having enough fire resources on hand in the event of multiple fires occurring simultaneously in both communities. Selling fire capacity raises the issue of service capacity; can the existing service be expanded to other areas without stretching existing resources too thin? Many local government programs or services, including fire protection, may have surplus capacity due to acquiring surplus resources to respond to large fires or multiple incidents. However, this may be lost on citizens.

Employees are often the most potent interest group with which an intergovernmental venture may have to contend. Employees will generally be very wary of a proposal that could alter their employer/employee relationship or their influence.

Strategies for overcoming interest group barriers

Getting various interest groups to "buy into" supporting an interlocal agreement may require involving them extensively in the planning process from the start. Forming ad hoc study committees that involve all stakeholders can help alleviate fears that the interlocal agreement is a cover for hidden agendas. Concerns of interest groups should be addressed early in the planning process. The further along in the process that interest groups' concerns are addressed, the more difficult it will be to reconfigure plans.

A big reason that the major stakeholders, such as employees, should be included in the planning process is not just to elicit support; these groups often have unique expertise or insights. Their contributions, even hostile or intended to thwart the intergovernmental program, may be invaluable or even totally necessary prior to going forward. Proceeding with less than full information as to the implications and consequences of an intergovernmental program can produce results that are at a minimum embarrassing, and perhaps even result in litigation and financial and political losses.

Find business groups, or others that stand to benefit directly, who may be willing to invest some of their resources to garner public support for intergovernmental cooperation. These groups may be willing to host neighborhood meetings or produce brochures to help the public better understand the benefits and government efficiencies that will result from an interlocal activity.

Take special note

The Urban Cooperation Act, and others, requires that existing employees transferred to a new intergovernmental entity shall not suffer a reduction in rights and benefits. These statutory protections may reduce, but not entirely eliminate, possible employee opposition to intergovernmental projects.

Barrier 12: Disputes

A method needs to be in place for resolving disputes after the agreements have been executed and the new intergovernmental program or service is operating. If a government entity perceives that the new system is not delivering as promised or an issue arises that was not anticipated, it may be confident that its concerns will be satisfactorily resolved.

Strategies for dispute resolution

In spite of a carefully crafted interlocal agreement, disputes can easily arise over interpretation and intentions. However, contracts are binding on all parties and are intended to be quite inflexible for the contract's duration. Having in place a mechanism to resolve the parties' differences and a willingness to compromise and reach amicable solutions will be a key ingredient to the intergovernmental activity's long term success. Without a mechanism to have concerns addressed and resolved, the parties will likely pull out of the agreement when the contract expires.

An agreement can require the parties to put each other on notice that a dispute has arisen which requires further discussion. The parties should have a duty under the contract to meet in a timely manner, at a neutral location, to discuss the issue and make a good faith effort to resolve the problem. A failure to resolve the issue to all parties' satisfaction should allow the parties to submit the issue to mediation.

Conclusion

Overcoming political barriers to intergovernmental cooperation may be the most difficult part of the process. Although this paper has described a few barriers that communities may face in forging intergovernmental projects, it has illustrated strategies for overcoming political barriers. The strategies described here should be used as examples to provoke thought on overcoming these and other barriers that intergovernmental groups face.

Fears of losing control, influence, and visibility must be addressed before an intergovernmental project can be seriously considered. Methods for delegating control must be developed and agreed upon before project implementation begins. Differences between the communities involved will have to be acknowledged and considered in almost every decision affecting the project. Finally, good relations among the participants will have to be cultivated and maintained throughout the project's duration.

When intergovernmental projects reach the implementation stage, maintaining long-term success becomes the focus. A key to the long-term success of any intergovernmental project is the interlocal agreement, intergovernmental contract, or articles of incorporation. The terms contained in these agreements are extremely important to ensure that a proper relationship continues to exist between the intergovernmental program or service and the communities it serves.

These and other issues can be formidable barriers for communities to overcome. The communities involved must develop a knowledge base of Michigan's legal tools for establishing and implementing intergovernmental cooperation. There also needs to be familiarity with the processes for funding intergovernmental projects. Finally, effective leadership is needed to overcome the political obstacles. All government entities are striving to keep up with demands for better services provided more effectively and efficiently. Intergovernmental cooperation is an old tool that can be utilized for creative new solutions.

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State	Local Governments	Population in Thousands	Units of Local Governments Per Thousand Residents
North Dakota	2,736	642	4.26
South Dakota	1,867	754	2.48
Nebraska	2,792	1,711	1.63
Kansas	3,888	2,530	1.54
Wyoming	723	493	1.47
Montana	1,128	858	1.31
Vermont	734	608	1.21
Idaho	1,159	1,293	0.90
Alaska	176	244	0.72
Minnesota	3,483	4,919	0.71
Iowa	1,976	2,926	0.68
Missouri	3,423	5,247	0.65
Maine	827	1,274	0.65
Arkansas	1,589	2,673	0.59
Indiana	3,086	5,220	0.59
Wisconsin	3,049	5,363	0.57
Illinois	6,904	12,419	0.56
Oklahoma	1,799	3,450	0.52
Colorado	1,929	3,746	0.51
New Mexico	859	1,819	0.47
Pennsylvania	5,032	10,763	0.47
New Hampshire	560	1,235	0.45
Massachusetts	842	1,895	0.44
Delaware	340	783	0.43
Oregon	1,440	3,421	0.42
Kentucky	1,440	3,781	0.38
West Virginia	687	1,808	0.38
Mississippi	1,001	2,844	0.35
Ohio	3,637	11,353	0.32
New York	3,421	10,968	0.31
Washington	1,788	5,894	0.30
Michigan	2,805	9,938	0.28
Utah	606	2,233	0.27
Alabama	1,172	4,444	0.26
Texas	4,785	20,851	0.23

Georgia	1,449	7,698	0.19
Tennessee	931	5,106	0.18
South Carolina	702	4,012	0.17
Connecticut	581	3,405	0.17
New Jersey	1,413	8,414	0.17
Louisiana	474	3,276	0.14
California	4,410	33,094	0.13
Arizona	639	5,130	0.12
North Carolina	961	8,049	0.12
Rhode Island	119	1,048	0.11
Virginia	522	4,720	0.11
Nevada	211	1,945	0.11
Florida	1,192	15,203	0.08
Hawaii	20	335	0.06
Maryland	266	4,645	0.06

Table 1B: State and Local Tax Burdens 2000

United States	Pop Rank	Mfgr Rank a*	Wages Rank b**	Percent of Personal Income					
				State&Local Rank		State Only Rank		Local Only Rank	
				10.83%		6.70%		4.13%	
Alabama	23	25	38	9.01%	49	6.16%	39	2.85%	43
Alaska	47	50	46	12.75%	4	7.85%	15	4.90%	4
Arizona	19	23	32	10.61%	28	6.45%	32	4.16%	15
Arkansas	33	29	42	10.36%	35	8.47%	9	1.90%	51
California	1	1	23	11.50%	12	8.03%	13	3.47%	33
Colorado	22	28	18	9.80%	44	5.25%	48	4.06%	17
Connecticut	29	22	5	11.52%	11	7.49%	19	4.03%	18
Delaware	45	41	8	11.06%	17	9.01%	5	2.06%	50
Dist. of Columbia	50	51	NR	14.78%	1	NA	1	14.78%	1
Florida	4	16	41	9.58%	46	5.67%	46	3.91%	23
Georgia	10	11	43	10.44%	32	6.07%	40	4.38%	10
Hawaii	42	49	49	12.37%	7	9.98%	2	2.29%	49
Idaho	39	37	34	10.92%	19	7.88%	14	3.04%	39
Illinois	5	7	16	10.43%	33	5.90%	44	4.52%	9
Indiana	14	9	6	10.20%	39	6.30%	37	3.90%	24
Iowa	30	27	17	10.71%	24	6.87%	26	3.85%	26
Kansas	32	32	13	10.58%	29	6.74%	29	3.85%	27
Kentucky	26	19	11	10.75%	24	8.13%	11	2.62%	47
Louisiana	24	26	3	10.76%	23	6.43%	34	4.32%	12
Maine	40	40	20	13.41%	3	8.37%	10	5.04%	3
Maryland	18	30	28	10.56%	30	5.98%	42	4.58%	8
Massachusetts	13	13	12	10.51%	31	7.06%	24	3.45%	34
Michigan	8	4	1	10.85%	21	7.84%	16	3.00%	41
Minnesota	21	17	21	11.93%	8	8.75%	6	3.17%	38
Mississippi	31	33	50	10.78%	22	8.06%	12	2.72%	44
Missouri	17	15	9	9.63%	44	5.77%	44	3.86%	24
Montana	44	47	33	10.69%	26	7.07%	23	3.61%	32
Nebraska	38	38	30	10.69%	27	6.41%	35	4.28%	13
Nevada	35	44	36	10.13%	41	6.46%	31	3.66%	31
New Hampshire	41	34	29	8.31%	51	4.30%	51	4.01%	20
New Jersey	9	10	19	10.89%	20	6.02%	41	4.87%	5
New Mexico	36	35	40	12.41%	6	9.67%	3	2.73%	44
New York	3	5	10	13.90%	2	6.68%	30	7.22%	2
North Carolina	11	8	44	10.22%	38	7.30%	21	2.92%	42
North Dakota	48	46	39	11.43%	14	7.58%	18	3.85%	28
Ohio	7	3	4	10.95%	18	6.29%	38	4.66%	6
Oklahoma	28	31	35	10.33%	36	7.31%	20	3.02%	40
Oregon	27	20	26	10.20%	40	6.45%	33	3.76%	29
Pennsylvania	6	6	24	10.37%	34	6.37%	36	4.00%	21
Rhode Island	43	42	48	11.49%	13	6.85%	27	4.64%	7
South Carolina	25	24	27	10.11%	42	6.76%	28	3.35%	36
South Dakota	46	45	44	9.31%	47	4.88%	49	4.25%	14
Tennessee	16	14	47	8.53%	50	5.31%	47	3.22%	37
Texas	2	2	22	9.14%	48	4.80%	50	4.34%	11
Utah	34	36	37	11.56%	10	7.83%	17	3.73%	30
Vermont	49	43	31	11.63%	9	9.20%	4	2.43%	48
Virginia	12	18	24	9.90%	43	5.94%	43	3.96%	22
Washington	15	21	2	10.28%	37	6.90%	24	3.38%	35
West Virginia	37	39	15	11.35%	15	8.70%	7	2.65%	46
Wisconsin	20	12	14	12.49%	5	8.47%	8	4.02%	19
Wyoming	51	48	7	11.35%	16	7.27%	22	4.08%	16

Source: Census of Governments, State and Local Finances, 2000

Calculations and rankings by: Wayne State University State Policy Center

Notes: *Rank a. Manufacturing states ranked by total dollar value of manufacturing in Gross State Product for 1999.

**Rank b. Wages ranked by average annual wages in manufacturing in each state.

